



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 25, 2007
TO: Mayor and Councilmembers
FROM: Administration, Airport Department
SUBJECT: Amendment To Airport Agreement With The Goleta Sanitary District

RECOMMENDATION: That Council:

- A. Approve and authorize the Airport Director to execute, subject to approval of the City Attorney, the Third Amendment to an Agreement for Expansion of the Goleta Sanitary District Sewage Disposal Treatment Plant Facilities between the Goleta Sanitary District, the City of Santa Barbara, the Goleta West Sanitary District, the University of California Santa Barbara and the County of Santa Barbara; and
- B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving the Third Amendment to Agreement for Expansion of the Goleta Sanitary District Sewage Disposal Treatment Plant Facilities Between the Goleta Sanitary District, the City of Santa Barbara, the Goleta West Sanitary District, the University of California Santa Barbara and the County of Santa Barbara to Upgrade the Plant Pursuant to the Settlement Agreement and the Allocation of Costs for the Project.

DISCUSSION:

Background

The Airport's sewer system was constructed as part of the U.S. Marine Air Corps Station in 1942 with treatment facilities being located on the parcel now owned by the University of California - Santa Barbara. As part of the federal grant deed transferring the property back to the University in 1949, a provision was made that the University would provide, at cost, essential utility services under its control for the Airport. The deed also stipulated that should the University transfer its obligation, the needs of the City of Santa Barbara Airport would be included in any negotiations for new facilities.

On January 14, 1954, the Goleta Sanitary District, University of California - Santa Barbara, and the City of Santa Barbara entered into an agreement to construct a sewage treatment plant on Mescalitan Island near Goleta. This agreement described the facilities to be constructed, allocated capital and operating costs among the parties, and established capacity rights to the system.

REVIEWED BY: _____ Finance _____ Attorney

Agenda Item No. _____

Council Agenda Report
Amendment To Airport Agreement With The Goleta Sanitary District
September 25, 2007
Page 2

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Previous Amendments

In 1960, members of the District, entered into a contract entitled "Agreement for Expansion of the Goleta Sanitary District Sewage Disposal Treatment Plant Facilities." The purpose of the contract was to obtain for each party facilities for the collection, treatment and disposal of sewage. Additionally, the Agreement set forth common powers of the parties to acquire, construct, use, maintain, repair, manage, operate and control the facilities.

The Agreement identified capital projects to be undertaken by the District to increase the capacity of the plant and to construct an ocean outfall line and other improvements as needed. Payment for the expansion was allocated based upon the percentage of use by the member entities. Capacity rights of each party were also established.

The 1960 Agreement has been amended on two previous occasions, July 1964, and September 1970. Both of these amendments were completed to expand and improve the District's treatment plant facilities. The 1970 amendment also provides for the acquisition of additional land for the treatment plant site. Each amendment describes the capital improvements to be made and allocates the costs to the members in accordance with the capacity rights to the system.

Settlement Agreement

In order to discharge wastewater to the Pacific Ocean, the Goleta Sanitary District must obtain a National Pollutant Discharge Elimination System (NPDES) permit from the Regional Water Quality Control Board every five years. NPDES permits issued to publicly owned treatment works generally specify secondary treatment of wastewater. However, Congress has specifically authorized waivers of secondary treatment requirements. To qualify for a waiver, a discharge must satisfy the conditions of CWA Section 301(h), and applicable regulations.

The District has been and continues to discharge its treated wastewater under a 301(h) permit jointly issued to the District by the U.S. Environmental Protection Agency and the Regional Board on July 26, 1996.

The District's January 2001 request for a new permit to continue wastewater discharge under 301(h) regulations at a higher flow rate was denied by the Regional Board. Over the next three years, the District continued to request various permits from the State Water Resources Control Board to continue to discharge wastewater using the 301(h) process. The State continued to deny all applications for permits.

In November 2004, the District and the Regional Water Quality Control Board, Central Coast Region, entered into a Settlement Agreement to avoid unnecessary litigation and to allow the District to complete the upgrade of its treatment facility to full secondary treatment standards within a ten-year period.

Third Amendment to Agreement

The Settlement Agreement requires Goleta Sanitary District to complete the secondary treatment conversion within ten years and sets forth a detailed schedule of milestones relating to the project. The Third Amendment to the 1960 Agreement for Expansion of the Goleta Sanitary District Sewage Disposal Treatment Plant Facilities covers the first milestone. This milestone includes the planning, environmental review and permitting of the upgraded treatment plant, allocates costs to the District members, and reaffirms each member's current capacity rights in the Plant.

The parties are entitled to use a percentage or share of plant capacity. The percentage or share is calculated on the basis of design flow or upon the basis of actual flow, whichever is greater. The existing capacity rights in the plant are as follows:

Goleta Sanitary District	47.87%
Goleta West Sanitary District	40.78%
University of California Santa Barbara	7.09%
City of Santa Barbara (Airport)	2.84%
County of Santa Barbara	1.42%

BUDGET/FINANCIAL INFORMATION:

The project scope of work and preliminary cost estimate prepared by the District reflects a total preliminary estimated project cost of \$27,917,752. The first phase for planning, environmental review and permitting is estimated at \$456,502 with the Airport's percentage share based on capacity rights is 2.84% or \$12,965 and will be funded in the Airport's operation budget.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office